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SUBJECT: AMBASSADOR'S DINNER WITH FOREIGN POLICY ANALYSTS

Classified By: CHARGE D'AFFAIRES JASON P. HYLAND FOR REASONS 1.4 (B, D)

11. (C) Summary: At a lively December 6 dinner hosted by the Ambassador, six of Azerbaijan's most respected foreign policy analysts argued that Azerbaijan's difficult geographical position forces it to have a cautious foreign policy to balance the divergent foreign influences. They also noted that Georgia's tense relations with Russia are crucial for Azerbaijan because the GOAJ's western-oriented foreign policy will "collapse" if Russia comes to dominate Georgia. Most commentators acknowledged a discrepancy between Baku's foreign policy of Western-integration and its domestic policies, although several analysts--including ruling party MP Samad Seyidov -- argued that the GOAJ's tough geopolitical position dictated a tempered pace of reform. Several of the pro-opposition analysts argued that the GOAJ may reach a strategic decision point regarding its domestic policy, where it must choose between democratic reforms or the path of Russia and Uzbekistan. The analysts were divided on the question of whether the influence of Islam is growing as a political force. While the analysts were divided on the question of Azerbaijan's internal politics and the degree to which Russia and Iran influence Azerbaijan, they were completely united on the need for Azerbaijan to continue its strategic path of integration with the West. End Summary

Ambassador Provides Introduction  
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12. (C) The Ambassador hosted a dinner for six respected commentators on foreign policy issues on December 6. Guests included analysts Rasim Musabayov, Eldar Namazov, Arif Yunusov, Zardusht Alizade, Namig Akhundov, and Chair of the Parliament's International Relations Committee Samad Seyidov. Attendees represented a spectrum of backgrounds, including academic, government, and journalism. The Ambassador began the evening by reviewing the key areas of bilateral cooperation--reform, energy, and security. The Ambassador acknowledged Azerbaijan's difficult geopolitical setting, which forces Azerbaijan's foreign policy to take account of multiple, competing influences. Given the complexity of the GOAJ's foreign policy, the Ambassador said she looked forward to hearing about the factors shaping Baku's policies.

Foreign Policy Based on Western Integration and Caution  
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13. (C) Seyidov, who is the head of Parliament's

International Relations Committee, remarked that "there are not big differences" among participants' foreign policy views, despite their varying political positions. We agree on the basic idea that Azerbaijan should strive to integrate with the Euro-Atlantic region, he said. Specifically, we agree that Azerbaijan should pursue NATO membership, integration with the EU, and close ties to the US, Seyidov said. Azerbaijan's foreign policy is "not very easy," however, because Baku must manage multiple--and sometimes competing--relations with Russia, Georgia, Iran, and EU member states. Because of its difficult geographical setting, Seyidov argued that Azerbaijan must maintain "balanced relations." Seyidov also made the contextual remark that in Azerbaijan, one "cannot separate domestic and foreign policy issues," a comment that proved to be prescient for the evening's discussion.

14. (C) Former advisor to former President Mutalibov and prominent commentator Rasim Musabayov said Azerbaijan needs to maintain a "careful foreign policy." Musabayov argued that Azerbaijan cannot be compared with Georgia because Azerbaijan has several major foreign policy problems in addition to its relationship with Russia. Reflecting on the importance of Georgian-Russian relations, Musabayov said that if Georgia is "taken" by Russia, Azerbaijan's western-oriented foreign policy will "collapse." Musabayov said there is a broad societal consensus within Azerbaijan that it must support Georgia in its problems with Russia because Azerbaijan has "no other option" but to orient toward the West. Musabayov argued that the pace of Western-style reforms is slower in Azerbaijan because of its difficult geopolitical situation. Whereas "freedom" was the key concern for Azerbaijanis in the early 1990s, followed by the desire for "stability," Azerbaijanis are most currently

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interested in "fairness and justice." He highlighted the distribution of property and the court system as critical areas where the population longs for justice. Musabayov cautioned that this broad-based yearning for fairness and justice could lead to "national populism" --similar to contemporary Venezuela--or "popular Islam."

#### Contradictory Domestic and Foreign Policies

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15. (C) Political commentator and director of a journalism school Alizade said the Nagorno-Karabakh (NK) conflict was critical in shaping Azerbaijanis' negative view of Russia. Prior to NK, Azerbaijan had a history of good relations with Russia. From a historical perspective, Azerbaijan even received some of its European values through its relations with Russia. Alizade suggested that currently, Russia is largely exerting a negative influence on Azerbaijan. The values of the current Azerbaijani ruling class are "in contradiction with European values." Alizade suggested that Azerbaijan is playing a game of building relations with Russia and Europe, although this policy is "contradictory." Aliyev's family and cohorts control the major assets of the Azerbaijani state, he alleged. Alizade considered that the past fifteen years represent the steady erosion of democracy and civil rights in Azerbaijan. Referring to the pressure that independent thinkers in Azerbaijan feel, Alizade remarked that "Russia is frightening the democratic minds of Azerbaijan." He proceeded that the Azerbaijani government "in its essence is becoming undemocratic like Russia." Turning toward Iran, Zardusht said that the key factor hindering good ties between Azerbaijan and Iran was the current Iranian regime--especially since Iran and Azerbaijan historically have had deep relations.

16. (C) Former head of the Parliament's foreign relations department and educator Akhundov said the context of Azerbaijan's independence was more complex than that of other post-Soviet states. The war with Armenia over NK was the critical context for Azerbaijan's statehood. Azerbaijanis

sense there is a double standard in regard to the settlement of NK, and this shapes their views of the West, Akhundov said. He argued that while Azerbaijan worked hard to showcase to Europe that it was a democratic Muslim state, Armenia did nothing. After independence, the Azerbaijani people wanted immediate democracy and this created some difficulties in the GOAJ's foreign policy. He acknowledged that while he is a democrat, he is not a "European democrat," who believes in adopting quick societal changes. He noted that Azerbaijanis want to go toward Europe, but we need to find "a mechanism" to move toward the West "at the right speed." Akhundov also observed that wealth and the country's property increasingly are moving toward a smaller number of people, saying that this was similar to American and European development several centuries ago.

¶7. (C) Turning toward Russia, he said that Azerbaijan "cannot survive without Russia" because "our market is Russia." At the same time, Russia has a "complex" of imperial feelings. He highlighted that Russia holds the key to solving the NK conflict, which could be solved in "one week" if this is what Moscow wanted. Akhundov characterized Iran as almost as bad as Armenia. Iran is a dangerous neighbor and Azerbaijan is more European in its instincts than Iran. Akhundov referred to Georgia as an "important country," although there are some problems with the way Georgia treats its Azerbaijani minority. He also said that Georgia sometimes creates more problems than it solves.

#### Influence of Islam Growing/Iranian Influence

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¶8. (C) Respected academic and Islamic scholar Arif Yunusov argued that Azerbaijani public opinion increasingly was not predisposed to favor the West and Islam was growing in importance, especially in the regions. He emphasized the large distinction between people who live in Baku and the regions, characterizing them as "two different republics." Yunusov suggested that while some elite Azerbaijani opinion favors Azerbaijan's western integration, people in the regions and the pro-Russian elite have a different opinion. He referred to survey results from 1994 and 1999, pulsing the

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foreign policy attitudes of Azerbaijanis. According to Yunusov, in 1994, 46 percent of those surveyed preferred strong ties to the West (EU and the West), while only 6 percent favored ties to Russia. In 1999, there was a significant shift, with 28 percent of respondents saying they preferred link to the West, and 26 percent favoring ties to Russia. (Note: Post has no further background information on the survey or the precise wording of the question.) Yunusov's conclusion was that the public view of the West is seriously declining. At this point, Musabayov disagreed with Yunusov's survey results, noting that his separate survey information indicated that while the population's view of the US is going down, it is not an extreme downturn.

¶9. (C) Yunusov suggested that Islam is becoming a powerful force for those who are dissatisfied with current conditions in Azerbaijan. He said that he observed a change after the 2003 Presidential elections, with a surprising number of people increasingly interested in Islam. Yunusov argued that there is only a small amount of the population--the elite--who favor a pro-Western foreign policy. Yunusov argued that the GOAJ's pressures on civil society exacerbate this trend; he noted that whereas discussion clubs had flourished during the Gorbachev period, mosques are the only institutions where such debate now can occur. There is no space for political activity in the regions, and Yunusov said he often goes to mosques to conduct sociological surveys. Musabayov disagreed, noting that there is some organized political activity in the regions, although the central government can quickly shut this down. Sehidov also strongly disagreed with Yunusov's views. As evidence of the growing strength of Islam--especially in southern Azerbaijan--Yunusov

said people in Baku do not know who the Grand Ayatollah Sistani is, but Lankoran residents not only know him but acknowledge him as their religious leader. He also claimed that Iran and Hizballah are quite active in southern Azerbaijan. (NOTE: It is unclear if Yunusov used the term Hizballah in an organizational or ideological sense; we will probe him for further information.) Musabayov took exception with Yunusov on this point, saying that while Iranian influence is strong along Azerbaijan's border with Iran, this influence is "not decisive." Yunusov countered that former State Committee on Religious Affairs Rafiq Aliyev agreed that Hizballah had a presence in southern Azerbaijan.

¶10. (C) Yunusov remarked that Islam is a bigger problem than is commonly acknowledged, especially among the elite, who tend to lack an understanding of how people live in the regions. Yunusov wondered how the Azerbaijani public might react to an international military strike against Iran, given Iran's growing influence in southern Azerbaijan. He cited survey information that only the Musavat party leadership would support US military operations against Iran. Musabayov disagreed, noting that even the majority of the US population was against a potential US military attack against Iran. In closing, Yunusov noted the close connection between Azerbaijan's foreign and domestic policy.

#### Heydar Aliyev's Policy Based on Western Integration

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¶11. (C) Former foreign policy advisor to late President Heydar Aliyev and active political commentator Namazov argued that Azerbaijan under Heydar Aliyev never had a strategic policy of "balance." The strategic focus under the first President was Western integration, although there were "tactical" steps of "balance." Azerbaijan never succeeded in relations with Russia on the level that Baku desired because of the NK problem. Namazov reflected on Heydar Aliyev's comment to former US President Bill Clinton in the 1990s that Russia will preserve its imperialist instincts for several generations. Namazov reflected on how several members of the Commonwealth of Independent States (CIS)--Ukraine, Georgia, and Azerbaijan--consistently sought to keep the CIS from evolving into a new Warsaw Pact.

#### Key Mistakes in GOAJ's Foreign Policy

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¶12. (C) Namazov discussed several "mistakes" in Azerbaijan's foreign policy. He said that Azerbaijan's failure to establish an Embassy in Israel is a mistake,

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especially since many other CIS countries have taken this step. Namazov described how Heydar Aliyev had been close to taking this step in the late 1990s, but the decision was scuttled at the final stages. Namazov then described the two "strategic mistakes" of Azerbaijan's foreign policy. First, there is a great gap and a contradiction between Azerbaijan's western-oriented foreign policy and the country's domestic policies. Specifically, Azerbaijan's pro-Western foreign policy is not reflected in the GOAJ'S behavior in elections, pressure on the media, and the lack of an independent court system. Namazov observed that Azerbaijan's domestic policy hinders its foreign policy. He also agreed with Yunusov's argument that political Islam is growing stronger in Azerbaijan. Namazov cited two dynamics that are fueling the growth of Islam: government pressure on the opposition, which is forcing people to the mosques, and corruption. Second, the GOAJ confuses personal and state interests. He observed that authoritarian regimes traditionally mix both interests.

#### Conservative and Reformist Government Insiders

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¶13. (C) In response to the Ambassador's question on why there appeared to be a gap between Azerbaijan's domestic and

foreign policies, Namazov said that there are a diversity of groups with competing agendas in the government. He also remarked that clientelism allows cliques to install like-minded people in other government positions. Within the government, there is a pro-Western group and a more conservative group that is not democratically-oriented and opposes integration with the West. In general, the conservative group is stronger than the Western-inclined clique. Namazov identified three areas where conservatives have a power base: the Presidential administration, the cabinet of ministers, and the Parliament. (NOTE: In private meetings with poloff, Namazov has made the same argument, focusing particularly on the Presidential apparatus and the cabinet of ministers as the bastion of conservative influence within the government.)

¶14. (C) Namazov's remarks sparked a lively discussion. Musabayov highlighted survey information that demonstrated Ilham Aliyev is a genuinely popular leader. He argued that while cliques within the government are important, the will of the leader is the most important factor. Work towards a European model for Azerbaijan will take work and political freedom, Musabayov said. Seyidov said that people in the Presidential administration are not necessarily against reforms. He also took issue with Namazov's comment that Azerbaijan should have established an embassy in Israel. Seyidov argued that Azerbaijan faces enormous pressure from its southern neighbor and noted that Iran had cut gas supplies to Naxchivan when Aliyev had been close to a decision to establish diplomatic representation in Israel. Seyidov also claimed that Iran would target Azerbaijan's energy infrastructure if Iran is attacked. Nevertheless, he said, Azerbaijan maintains extremely good relations with Israel.

¶15. (C) Seyidov argued that Azerbaijan is not on the wrong path. "Bad steps" on domestic policy are largely because of outside pressure. Azerbaijan increasingly has more money, which allows Baku to exercise a growing leadership role in the region. He cited Azerbaijan's Chairmanship of the OIC Foreign Ministers Conference and Baku's leadership in several regional infrastructure projects as examples. Seyidov noted the critical importance of Georgia-Russian relations in securing Azerbaijan's continued Western orientation. He said that if Georgia is not independent, it will be impossible for Azerbaijan to be independent. Seyidov remarked that there may be a "gentleman's agreement" between the US-EU and Russia, granting the former control of the Middle East in exchange for giving the latter control of the former Soviet space. The Ambassador assured participants that there was no such agreement.

#### Debate on Character of the Government

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¶16. (C) Namazov picked up on this discussion, focusing on the character of the Azerbaijani government. He said that the ruling Azerbaijani party speaks about European

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integration because its representatives are personally integrated into Europe. For example, they drive European cars, have European-style homes, wear French ties, and have bank accounts in Europe. At the same time, this goal of European integration is not reflected in the GOAJ's approach to the media, human rights, or the court system. Namazov said that the GOAJ's shortcomings in these areas are continually blamed on "our people having their own mentality." Namazov said the GOAJ perceives that it is in a position to bargain with the West. While the GOAJ is interested in working with the West in the areas of energy and security, Baku wants no interference with its internal affairs. He noted that the "imitation of democracy may last for 3 to 5 years, but not longer." Azerbaijan will have to make a strategic decision to follow the path of democratic reforms or go the road of Russia and Uzbekistan. Namazov



predicted that reformists will gradually be removed from the ruling circle, as occurred with former Minister of Economic Development Farhad Aliyev, now under detention.

¶17. (C) Seyidov countered that the GOAJ's goal of Euro-Atlantic integration is not superficial. The road to democracy is "difficult and full of complications." The declining favorable opinion of the West within Azerbaijani society reflects that Azerbaijan is truly in a difficult neighborhood. Azerbaijan "needs a lot of time" to solve its problems, but this can be done by creating popular trust in the rule of law. The Ambassador emphasized that USG support for reforms is not merely lip-service. The USG seeks to build on President Aliyev's commitment to President Bush that Azerbaijan seeks to integrate into the West. There appears to be a tussle in the minds of some Azerbaijanis about the future direction of their country, and the US wants to a partner with Azerbaijan. The USG also understands that democratic states usually are the strongest partners.

¶18. (C) Yunusov said Seyidov's points about Azerbaijan needing a lot of time is precisely what Farhad Aliyev said two years ago, but he is now in prison. A spirited discussion among Seyidov, Namazov, and Yunusov ensued on the reasons why Farhad Aliyev was sacked and arrested--corruption, his popularity, or his disloyalty to the government. Yunusov also suggested that Aliyev's democratic commitments to the US should not be taken seriously, as even Turkmenistan's President Niyazov publicly advocates democracy. Azerbaijan's institutions largely resemble Soviet institutions--namely, a centralized regime with a highly-personalized system for distributing power. Namazov and Yunusov agreed that the current system parallels the Soviet system, with "the copy" being worse than "the original." Seyidov countered that things are getting better, saying that the participants could not have had such a frank conversation during the Soviet period. In response to the Ambassador's question on why it was so hard for Azerbaijan to make progress on democratic reform, Seyidov said the mentality of the people and problems in the regions slow the development of democracy. He argued that we need to help the President in this process, because it is "impossible to create democracy overnight."

#### Energy Security

¶19. (C) Turning to energy security, Seyidov asked the Ambassador why the US and the EU have a "relaxed attitude" toward Gazprom's monopolization efforts. The Ambassador assured participants that the USG takes this issue very seriously and is working at various levels to address this concern. Musabayov commented that Azerbaijan's domestic gas supply simply is not enough to seriously threaten Russia's gas interests in Europe. The key, however, is if Azerbaijan becomes a genuine transit state for gas to Europe. Azerbaijan is now merely a supplier, not a transit, country. Yunusov said Russia will not allow an alternative gas pipeline to Europe "as a matter of principle." Russians have a different style of diplomacy than Americans, he said. The Russians are very direct about their interest. Russians directly tell us not to sell oil or gas to the West or to help Georgia, Yunusov said.

¶20. (C) Musabayov commented that Georgia is a critical state. If the West protects Georgia, Russia "can do nothing"

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to Azerbaijan. Russia presently is focused on subordinating Georgia. This is making Azerbaijanis more determined to side with Georgia against Russia. Seyidov suggested that Russia still had the means to create domestic problems in Azerbaijan. He said Russia may have been involved in the recent closure of ANS, in order to tarnish Azerbaijan's reputation before the Council of Europe.

## Iran is Sneaky

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¶21. (C) Turning again to Iran, Akhundov said President Ahmadinejad is smart and sneaky. He advised that the USG should consider operations to support ethnic Azeris Iran because this is the only way to get true change in Iran. (Akhundov's comments were met by expressions of disbelief by other guests.)

## Comment

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¶22. (C) While the analysts were divided on the question of Azerbaijan,s internal politics and the degree to which Russia and Iran influence Azerbaijan, they were completely united on the need for Azerbaijan to continue its strategic path of integration with the West. It is clear that players from across Azerbaijan,s political spectrum view Euro-Atlantic integration as the key to Azerbaijan,s long-term independence and stability. The real challenge is to ensure that the seemingly growing gap between GOAJ policy commitments and realities on the ground--particularly in the sphere of democratization--do not derail the vitally important process of Euro-Atlantic integration.  
HYLAND